



**Calhoun: The NPS Institutional Archive**  
**DSpace Repository**

---

Theses and Dissertations

1. Thesis and Dissertation Collection, all items

---

1956

## The Public Works Officer and the Comptroller

Cooke, Frederick A. F.

George Washington University ; School of Government, Washington, District of Columbia.

---

<http://hdl.handle.net/10945/31135>

---

*Downloaded from NPS Archive: Calhoun*



Calhoun is the Naval Postgraduate School's public access digital repository for research materials and institutional publications created by the NPS community. Calhoun is named for Professor of Mathematics Guy K. Calhoun, NPS's first appointed -- and published -- scholarly author.

**Dudley Knox Library / Naval Postgraduate School**  
**411 Dyer Road / 1 University Circle**  
**Monterey, California USA 93943**

<http://www.nps.edu/library>





THE PUBLIC WORKS OFFICER  
AND  
THE COMPTROLLER

By Frederick A. F. Cooke  
Commander (CEC) USN  
January 1956

The George Washington University  
Navy Graduate Comptrollership Program  
For Dr. A. Rex Johnson







## PREFACE

Having been exposed for a relatively short time to the concept of Comptrollership, I have of necessity spent a considerable portion of my time re-orienting my thinking on the subject. Because of my recent naval experience as Public Works Officer at a medium size naval shore station, where a comptroller organization was established a few months prior to my detachment, the impact of the comptrollership idea as adapted to shore stations in the Navy has intrigued me. Accordingly I have addressed myself to the task of examining the effect of this newcomer to the scene, the Comptroller, on the role of Public Works Officer at the typical Navy shore station.

My primary reason for examining the interrelationship between the Public Works Officer and the Comptroller has been to clarify my own thinking concerning comptrollership. More than three years' duty as a Public Works Officer, plus many more in close contact with public works matters, has served to acquaint me intimately with the role of the Public Works Officer, his functions and his problems. In contrast, my contact with comptrollership, its goals, and the methods by which it is practiced has been extremely limited. Accordingly, I have been obliged to draw heavily on the views of others for





information concerning the fundamental functions of the Comptroller and his position within the organization. Although a majority of the published material on comptrollership pertains to its applications in private business, I feel that the basic relationships are equally applicable to military organizations. Therefore I have used such material as appeared suitable regardless of whether it pertained to military or business organizations.

An additional purpose for this study has been to assist others in understanding better the role of comptrollership. I have observed, as have most of the members of the current Navy Graduate Comptrollership Program, that a great many naval officers view comptrollership with emotions ranging from suspicion to contempt. From my own limited contacts, I feel that much of this prejudice stems from the fact that comptrollership is new to the Navy and is not understood by a majority of officers. It is my hope that by following my line of reasoning, others may be stimulated to think in terms of the fundamental functions and relationships involved.

F. A. T. Cooke



## TABLE OF CONTENTS

	Page
PREFACE . . . . .	11
Chapter	
I.    INTRODUCTION . . . . .	1
II.   THE ROLE OF THE PUBLIC WORKS OFFICER . . . .	5
General Financial Responsibility	
III.  THE ROLE OF THE COMPTROLLER . . . . .	14
General Comptrollership in Industry Comptrollership in the Navy Staff Role of the Comptroller Authority and Influence of the Comptroller	
IV.   POTENTIAL AREAS OF CONFLICT . . . . .	22
Staff Relationship Technical Judgment Application of Controls	
V.    AREAS OF MUTUAL INTEREST . . . . .	30
Improved Planning Interpretation of Financial Instructions Management Assistance Support of Public Works Programs	
VI.   CONCLUSION . . . . .	37
BIBLIOGRAPHY . . . . .	41





## CHAPTER I

### INTRODUCTION

Comptrollership is a new term in the Navy and is apparently not generally understood by many naval officers. The term has an unfortunate connotation; many people relate it automatically with the legalistic and critical examination of accounts performed by the Comptroller General and his minions in the General Accounting Office. To others the term is synonymously associated with controls and restraints. Few people welcome having their authority curbed, and in the Navy, where the trend appears to be toward ever increasing restrictions, on the freedom of action of the individual officer, it is not difficult to appreciate how comptrollership has come to have a somewhat hostile reception.

In contrast to the attitude within the Navy concerning comptrollership, the Congress, as well as the higher echelons in the executive branch of the government, appear to view it as a most important means of reducing federal expenditures by the elimination of waste and inefficiency. This feeling is well summarized in the report of the Landers Subcommittee of the Senate Armed Services Committee which recently conducted an investigation of the implementation of the comptrollership program within the Department of Defense:



It was expected that the comptroller organizations would result in clear lines of responsibility for fiscal management, would furnish a means of obtaining uniform and accurate budgetary and fiscal data, and, generally would provide the mechanism for review and analysis of fiscal problems to eliminate waste and inefficiency.<sup>1</sup>

In commenting further on the effectiveness of implementation of Title IV of the National Security Act of 1947 as amended, which prescribed the establishment of Comptrollers in the Department of Defense, and delineated in broad terms the basic comptrollership functions, the Wlanders Committee stated:

"Encouraging as the progress in putting Title IV into operation has been in a few cases, it must be recognized that the record of the past four years has not been a satisfactory one."<sup>2</sup> In short, it appears that regardless of whether or not comptrollership has the approval and support of naval officers, it is here to stay for the foreseeable future.

A most important factor to be recognized in any consideration of comptrollership, is the fact that this concept in no way lessens the importance of good management by the operating official. It is merely one of the means by which management can be made more effective. Failure to keep this point in mind can lead to an overly partisan approach on the part of proponents of comptrollership which in turn can further alienate the average conscientious naval officer who feels that he too has an important management job to do.

---

<sup>1</sup>U. S. Senate, Preparedness Subcommittee No. 3 of the Committee on Armed Services, Implementation of Title IV National Security Act of 1947 as amended, 83rd Cong., 2nd Sess., 1954.

<sup>2</sup>Ibid.





At the typical shore station few heads of departments have a more complicated management function to perform than the Public Works Officer. For this reason, a discussion of the impact of comptrollership on the functions and position of the organization of the Public Works Officer, is illustrative of the effect the advent of the Comptroller will have elsewhere. As in the case of the Public Works Officer, the heads of station operating departments will find it necessary to make adjustments in order to derive benefits from the efforts of the Comptroller.

In the succeeding chapters the positions and functions within the typical station organization of the Public Works Officer and the Comptroller are considered separately, with emphasis on the relationship of each to the Commanding Officer. Although customarily the Executive Officer is the second in command, and heads of departments report through him to the Commanding Officer, the single title of Commanding Officer is used in this discussion to denote both of these billets, i.e., the station's top command. This analysis does not purport to catalogue in detail the duties of the Public Works Officer or of the Comptroller; instead attention is focused on the broad role played by each of these officers.

The interrelationship between the Public Works and the Comptroller are discussed in two stages, first, the potential areas of conflict, friction and misunderstanding are considered, followed by a discussion of some of the benefits which



can be derived by the Public Works Officer from cooperation and collaboration with the Comptroller. Since human relations play an important part in determining the actions and reactions between these two officers, and between each and the Commanding Officer, reference to certain of the pitfalls to be avoided, which have been enunciated by writers and scholars in this field, are included for consideration.





## CHAPTER II

### The Role of the Public Works Officer

General.--is head of one of the major departments at the typical naval installation, the Public Works Officer is responsible for an extremely wide variety of functions, ranging from highly theoretical design studies to such prosaic matters as refuse disposal. His broad mission is to maintain the station facilities to acceptable standards, to supervise new construction, and to provide essential services such as utilities, transportation and professional engineering advice. Like woman's, his work is never done, and as a corollary, he never has enough money to accomplish the things he considers necessary. His job is often a thankless one, from which, if he occupies quarters on the station, there is no escape, since the fact that he controls most of the creature comforts makes him the object of solicitation at all hours.

The Public Works Department at a majority of installations serves both as a service or auxiliary department, and as a staff department. As its head, the Public Works Officer is under the direct supervision of the Commanding Officer, and at the same time under the functional or technical control of the Bureau of Yards and Docks.



The Bureau of Yards and Docks has published<sup>1</sup> recommendations concerning the organization of Public Works Departments for the information and guidance of stations throughout the Naval Shore Establishment. This publication, NAVDOCKS TP-44-12, enumerates the functions normally assigned to the Public Works Officer, and recommends their apportionment among the various organizational segments of his department. At a majority of activities the Public Works Departments are operating generally in accordance with these suggestions, with variations tailored to meet local situations.

Despite the current trend toward the standardization of Public Works Departments, it is difficult to generalize regarding the duties of the Public Works Officer. Although the broad functions for which he is held accountable are uniform, the extent to which he is assigned specific responsibilities and authority to act varies significantly. This is to be expected since all organizations are composed of people who approach problems individually. Thus, it is largely his personal relationship with the Commanding Officer, as well as with the heads of the other departments, which ultimately governs the status of the Public Works Officer.

As in other vocations, Commanding Officers differ markedly as to the extent to which they are willing to delegate authority. In discussing this important facet of the executive

---

<sup>1</sup>U.S. Department of the Navy, Bureau of Yards and Docks, Organization and Staffing of Public Works Departments, NAVDOCKS TP-44-12 (Washington, D.C., 15 November 1954).





process, a team from Stanford University, who examined in detail a number of large business corporations, has observed that: "One of the most challenging problems of management is to give authority to those capable of accepting it and yet retain control in the hands of those ultimately responsible."<sup>2</sup> Naval Officers do not differ significantly from business executives in this regard, and in the case of the Commanding Officer of a naval station, the problem of granting authority is further complicated by the existence of the many controls and limitations on his own freedom of action.

Today the typical Commanding Officer is required to insure compliance by his organization with a vast number of instructions issued by the various echelons within the Department of Defense. In private industry it has been recognized that excessive functional control can be detrimental to good management. In his textbook on administration, Professor W. H. Newman of Columbia University has pointed up some of the undesirable features as follows:

There is danger that directions coming from several different functional executives will overburden operating people, and occasionally they may even conflict with each other.

.....  
Substantial use of functional authority tends to weaken the influence of the line supervisor. As more and more orders are received from the functional specialist, the operating man naturally tends to turn to them for interpretation, advice, and assistance in carrying out their particular instructions.

---

<sup>2</sup>P. E. Holden, L. S. Fish, and H. L. Smith, Top Management Organization and Control (New York: McGraw-Hill Book Co., 1951), p. 77.





There is danger that the use of functional authority will lead to autocratic and inflexible administration.<sup>3</sup>

These admonishments are applicable in the case of the Commanding Officer of any naval shore station, and the situation which results from the detailed functional control exercised by the various Bureaus and Offices within the Navy Department is not especially conducive to administrative independence.

At some stations the Commanding Officer is generally satisfied to permit the Public Works Officer to perform his duties with a minimum of direction and review, while at others the Public Works Officer is required to justify his actions at various stages and to seek numerous approvals. Because of the importance of the functions of the Public Works Department to the accomplishment of the station's mission and the well being of its personnel, most Commanding Officers take great interest in the work of the Public Works Officer. Thus, the tendency is toward close supervision by the Commanding Officer, with rather a limited degree of discretion granted the Public Works officer.

Financial Responsibilities.--A majority of the problems which confront the Public Works Officer have financial implications. Whether he is concerned with long-range planning for the future development of the station, or evaluating the merits of alternative methods for cutting grass, he must ultimately think in terms of money. Since his primary mission is to

---

<sup>3</sup>W. H. Newman, Administrative Action (New York: Prentice-Hall, Inc., 1951), pp. 195-196.



maintain the station buildings, grounds, and utility systems in good condition, he must inevitably evaluate the various projects to be accomplished in terms of dollars and priorities. Similarly, all of the services which it is his duty to provide must be thought of in terms of their cost. In this area the Public Works Officer is often in a difficult position in that the departments which consume the services he provides are generally not required to pay for them, and hence are relatively unconcerned about their cost. This is true especially of automotive transportation and utilities, for which the Public Works Officer must obtain the funds necessary to satisfy the demand.

At most activities the Public Works Department spends an appreciable portion of the total funds allotted to the Commanding Officer. Because of the wide variety of work performed, and because many of the functions are closely inter-related with the work of other departments, a shops organization consisting of several hundred artisans of various trades as well as laborers, is required. Additionally, most of the new construction and major non-recurring maintenance work is normally accomplished by contracts with private construction firms. Fuel for heating, steam generation, and operation of vehicles and rolling stock; electric power; water and sewage treatment; and telephone service for the station as a whole is normally paid for by the Public Works Department.

Much of the Public Works Officer's time is spent estimating the financial needs of his department, justifying





his requirements in the form of budgets and special requests for funds, supervising the expenditure funds, and revising priorities of work because of changes in requirements. One of his most difficult tasks is to insure that the work of his department is properly balanced, and that adequate emphasis is placed upon the maintenance of existing facilities. There is a natural tendency on the part of the heads of operating departments to think in terms of additions and improvements to facilities, as well as embellishments and additional services, rather than preventive maintenance. Unless the Public Works Officer is effective in selling a balanced program to the Commanding Officer, the requests of other departments can result in an insufficient share of the available money being devoted to such purposes as replacement of deteriorated railroad ties, seal-coating roads and pavements, termite protection, etc.

As is the case with every official involved with the administration of appropriated funds, the Public Works Officer is governed by a wide variety of instructions pertaining to the use of funds. Compliance with the voluminous instructions on this subject which have been issued by various echelons within the Department of Defense is the responsibility of the Commanding Officer; he holds his heads of departments responsible for adherence to those instructions applicable to their operations. The Public Works Officer thus must keep abreast of the instructions concerning the propriety of expenditures by his department and particularly those prescribed





by the Bureau of Yards and Docks. Although very few stations are under the management control of this Bureau, a majority of the Public Works Officer's functions are under its technical or functional control. In discharging its responsibility<sup>4</sup> for delineating standards for the maintenance of the Naval Shore Establishment, the Bureau of Yards and Docks prescribes a wide variety of standards and limitations governing the handling of such specialized matters as the painting of buildings, the operation of motor vehicle pools, and the maintenance of Public quarters. Although many of these instructions do not pertain directly to the administration of funds, to the extent that they indicate what work may or may not be properly undertaken, they have a strong influence on the Public Works Officer's financial planning. It is not unusual for the Public Works Officer to find himself in the middle, so to speak, between the policies of the Bureau of Yards and Docks, and the desires of his Commanding Officer. A high degree of tact is often required if the Public Works Officer is to avoid the unhappy role of obstructionist in such situations.

---

<sup>4</sup>United States Navy Regulations, 1948, Ch. 4, sec. 8, p. 51, defines the technical control of this Bureau in part as follows:

"The Bureau of Yards and Docks shall exercise technical control of the following:

1. The alteration, repair and upkeep of public works and public utilities; and the operating standards and procedures pertaining thereto.

2. Repair and upkeep of, and operating standards and procedures for, construction, transportation, and weight handling equipment, except Marine Corps and specialized equipment assigned for technical control to another Bureau or Office.



Funds are normally allocated to the Public Works Officer by the Commanding Officer either in the form of allotments for specific projects, or as a portion or segment of the station's maintenance and operating allotment. At stations operating under the Naval Industrial Fund, special procedures are employed but these are considered beyond the scope of this study. The Public Works Officer is held responsible for the proper administration of these funds, but the authority granted him is largely dependent upon the manner in which the Commanding Officer conducts his affairs. Additionally, the reputation of the Department and the extent to which the Public Works Officer enjoys the confidence of the Commanding Officer are important factors. Some Commanding Officers apparently operate in accordance with the philosophy outlined by Chester J. Barnard, former Vice President of the New Jersey Bell Telephone Co., who observed in discussing the executive process that, "Not to make decisions that others should make is to preserve morale, to develop competence, to fix responsibility, and to preserve authority."<sup>5</sup> However, many Public Works Officers are often required to obtain approvals at various stages, must justify their past actions, and in general find their operations subject to close control by the Commanding Officer.<sup>6</sup>

---

<sup>5</sup> Chester J. Barnard: The Functions of the Executive (Cambridge, Mass., Harvard University Press, 1951), p. 124.

<sup>6</sup> Newman, op. cit., p. 161, has observed that there is a tendency toward closer control of subordinates in governmental operations than in private business: "It may be noted in passing that the public administrator is in a somewhat different





---

fn. 8 cont'd

position because a) unlike the businessman he is presumed to have only the authority that has been explicitly granted to him, and b) the pervasive influence of governmental action, along with a public insistence on equality in treatment of individuals creates a much greater reluctance to delegate legal authority to those in lower echelons."



## CHAPTER III

### The Role of the Comptroller

General.--Although the title of Comptroller has been used in the Navy for only a few years, the basic functions of comptrollership are probably as old as the Navy itself. At the station level, the comptrollership functions in the past have been performed by the Commanding Officer, the Supply and Fiscal Officer, and in varying degrees by all of the other departments. As a specific billet the Comptroller is a newcomer, but much of what he does is neither new nor different.

Comptrollership in Industry.--To understand better the role of the Comptroller in the Navy it is helpful to review briefly his counterpart in private industry. As in the case of the military Comptroller, the Controller, as he is more often called in private business, is a relatively recent arrival on the business management scene, although his basic functions have long been performed. E. S. Anderson, Controller of the Kennell Company, and one of the first men to pull together the subject in textbook form, makes this summary of the scope of comptrollership:

...It can be defined very baldly as the function embracing the recording and utilization of all of the pertinent facts about the business, for the purpose of (1) protecting the assets of the business, (2) complying with legal record-keeping and reporting requirements, and (3) com-





municating to the management information which will assist in planning and control of operations.<sup>1</sup>

The Controllers Institute of America, an organization dedicated to the promoting of the comptrollerhip concept in business, has catalogued seventeen "Duties of a Controller," certain of which are quoted below:

2. The preparation and interpretation of the financial statements and reports of the Corporation.

8. The preparation and interpretation of all statistical records and reports of the corporation.

9. The preparation, as budget director, in conjunction with other officers and department heads, of an annual budget covering all activities of the corporation, for submission to the Board of Directors prior to the beginning of the fiscal year. The authority of the controller, with respect to the veto of commitments or expenditures not authorized by the budget, shall, from time to time, be fixed by the Board of Directors.

12. The maintenance of adequate records of authorized appropriations and the determination that all sums expended pursuant thereto are properly accounted for.<sup>2</sup>

From this broad outline of functions it is apparent that the objective of the Controllers Institute of America is to have the Controller perform duties considerably beyond the normal scope of accounting and the maintenance of historical records. Mr. James L. Peirce, probably the most effective spokesman for the Controllers Institute, goes further; his summary of the function of comptrollerhip is as follows:

---

<sup>1</sup>David C. Anderson, Practical Comptrollerhip (Chicago; Richard D. Irwin, Inc., 1949), p. 17.

<sup>2</sup>Ibid., p. 3.



...The practice of controllership is the exercise by a trained mind of the techniques of control....In our own special sense the word "control" always includes three component processes. The first is the adoption of a plan. The second is reporting of actual performance. The third is making decisions and taking action.<sup>3</sup>

From perusal of available literature on the subject, and from the comments made by numerous representatives of industrial concerns to the current group attending the Navy Graduate Comptrollership Program at The George Washington University, it would appear that there exists a wide variation in scope of duties performed by personnel in private industry who bear the title Controller or Comptroller. Some perform essentially accounting functions with a minimum of interpretive work, whereas others appear to cover a broad range more in keeping with Mr. Pierce's concept of control.

Comptrollership in the Navy.--Pursuant to Public Law 216, approved 10 August 1949, which amended the National Security Act of 1947, the Secretary of the Navy issued instructions concerning comptrollership within the Navy, a portion of which is quoted as follows:

A. Basic Concept. Most of the comptroller functions are being performed in varying degrees in all Navy bureaus and field activities. The new elements introduced by the concept of comptrollership as it is practiced in the Department of the Navy are:

1. Emphasizing the constructive aspects of reporting analysis and interpretative functions as distinct from the purely recording functions.

---

<sup>3</sup>James L. Peirce, "Controllership and Accounting: A Contrast," The Controller (Vol. XXI, September 1953), p. 411.







2. Improving budget formulations and execution through the collection and utilization of accounting and program data at all organizational levels.

3. Coordinating and integrating the several comptroller functions to provide concisely to the Commanding Officer the basic data essential for efficient, economical, and effective management.<sup>4</sup>

As of November 1955 Comptroller organizations have been established at 93 naval commands and major shore activities, and six additional are in the process of installation.<sup>5</sup>

According to the Deputy Comptroller of the Navy,<sup>6</sup> in providing for the establishment of comptroller organizations at individual stations, it was considered essential to adhere to the traditional principle whereby the Commanding Officer receives all of the money allotted to a station, and is fully responsible for its proper use. The Comptroller is a staff assistant to the Commanding Officer, specifically:

The comptroller must provide technical guidance and direction to the conduct of specific fact-collection systems in the areas of budget formulation and execution, program analysis, accounting, and progress reports and statistics. The fully coordinated staff service provided by the comptroller should relieve the commanding officer of much of the burden of detailed fact collection, coordination, and analysis. When properly performed, comptrollership will enable the Commanding Officer to spend more of his time in the areas of policy formulation, decision, and program direction.<sup>7</sup>

---

<sup>4</sup>SecNav Instruction 5400.4, Establishment of comptroller organizations in bureaus, headquarters, offices, and field activities of the Navy and Marine Corps (18 November 1953), p.1.

<sup>5</sup>List of Field Activities with Comptroller Organizations, Office of Comptroller of the Navy, dated 15 May 1955. (As of 10 November 1955 this list was checked and found to be correct).

<sup>6</sup>Address by RADM E. W. Clepton, USN, to the Navy Graduate Comptrollership class, The George Washington University, 6 October 1955.

<sup>7</sup>SecNav Instruction 5400.4, op. cit.



The Comptroller of the Navy exercises technical or functional control over the functions of the comptroller organizations at naval activities in somewhat the same manner as the Bureau of Yards and Docks provides technical guidance to the Public Works Department. The Comptroller of the Navy prescribes in detail procedures to be used for budgeting, accounting, auditing, and statistical reporting; the station Comptroller is required to adhere to these instructions.

Staff Role of the Comptroller.--In discussing the role of the Comptroller at a shore station, Admiral Solomons stated as follows:

The nearest analogy, and one that I have used frequently in fixing the position of the Comptroller relative to command, is that of the relationship of the navigator and the captain. The navigator lays down the courses that will keep the ship clear of the rocks and shoals while proceeding to its destination; he studies the effects of currents; he maintains an accurate knowledge of its progress during the passage, warns of its deviations and recommends to the captain necessary changes of course and speed. So also does the Comptroller lay down the safe course of fiscal policy, constantly checks its financial position and gives timely warning of approaching deficiencies. But the Comptroller does not change the fiscal policy without approval of command any more than the navigator changes the course of the ship without the approval of the captain.<sup>8</sup>

In this respect he occupies a position similar to that of his counterpart in private industry. In both military and business organizations, financial matters have assumed such a degree of importance and complexity that the top executive requires specialized assistance.

---

<sup>8</sup>Address by Rear Admiral F. A. Solomons, USN, Deputy Comptroller of the Navy, to the Naval War College, Newport, Rhode Island, 16 February 1954.





From the extensive literature on the subject, it would appear that the staff concept, and particularly the relationship between the staff officer and the line executive, has been the subject of considerable study. In discussing the problems involved in the use of staffs, Albert Lepawski, Professor of Public Administration at the University of Alabama, has observed that: "...the development of the staff idea as differentiated from line activity has been called 'the chief element of progress that we have made in the science of management during the last 3,000 years.'"<sup>9</sup> Although the military is credited with the perfection of the staff type of organization, many of the fundamental difficulties and problems concerned with its use remain to be coped with. An executive of McKinsey and Co., one of the country's foremost management consulting firms, has observed:

Are the distinctions between line and functional authority and staff work recognized? As we all know, line authority says do, functional authority says when you do it, do it this way, and staff is purely advisory and has not authority. When functional and staff executives forget the limitations of their authority and start giving orders out of their domain, the trouble begins.

<sup>10</sup>

In discussing the complex relationships within the organization resulting from the use of staff groups, particularly as

---

<sup>9</sup> Albert Lepawski, Administration: The Art and Science of Organization and Management (New York: Alfred A. Knopf, 1949), p. 289, quoting Edgar W. Smith "Executive Responsibility," The Society for the Advancement of Management Journal (January 1938), p. 32.

<sup>10</sup> Irving W. Beilley, "Sound Organization - Keystone of Management Development," The Development of Executive Talent, ed. M. J. Doohan and V. Marquis, (New York: American Management Association, 1952), p. 45.





regards the heads of operating departments, Newman has also pointed out:

In addition, many people have a psychological resentment to receiving instructions and being checked up on, particularly by an individual whom they do not regard as a superior. This makes the effective functioning of the staff assistant an even more delicate matter. Therefore, valuable as a staff may be, it should be used only when simple delegation does not fit the situation.<sup>11</sup>

Authority and Influence of the Comptroller.--Because of the complexities inherent in the staff concept, it can be expected that there will be little uniformity in the stature and influence of station Comptrollers. As in the case of the authority of the Public Works Officer, the Comptroller's influence will in large measure depend upon the personality and inclinations of the Commanding Officer. Some Commanding Officers perform the interpretive and planning portions of comptrollership themselves, relegating the Comptroller to the routine record keeping functions and compilation of data for special studies. Others are likely to confer upon the Comptroller a considerable amount of functional authority, and to lean heavily upon him for advice and guidance. Similar variations in outlook by top executives in private industry are apparent from the differences in the stature of the corporation comptrollers and other officials who appeared before the Navy Graduate Comptrollership class. Here the distinctions are more apparent because each company has tailored its organization to suit its own situation, whereas in the Navy, the position of the Comptroller, as well as the internal organization and functions of his department, have been prescribed.

---

<sup>11</sup>Newman, op. cit., p. 186.



It appears probable, however, that as comptroller organizations mature within the Navy, the authority granted the Comptroller, and hence his influence, will expand. The very fact that the Commanding Officer is required to insure compliance with an increasing number of instructions and directives issued by organizations exercising functional control precludes his devoting a substantial portion of his time to the intricacies of financial management. Indeed, this field has become so specialized and complex that unless the Commanding Officer has previously had occasion to have intimate contact with budgeting or statistical work, he is obliged to rely on the counsel and advice of the Comptroller. Additionally, the emphasis currently being placed in the Congress on the effectiveness of the comptrollership program within the Department of Defense can be expected to keep attention focused on the activities of comptrollers at all levels.







## CHAPTER IV

### Potential Areas of Conflict

The foregoing discussion has outlined briefly the general role played by both the Public Works Officer and the Comptroller and has indicated in general their relative positions in the typical station organization. Although both perform staff functions, for purposes of this study the Public Works Officer is considered primarily as the head of a large service department. In this capacity his relationship toward the comptroller is similar to that of any other line operating department head. However, as will be pointed out subsequently, the fact that his organization is not an operating department in that it supports rather than actually performs the mission of the station, has a definite bearing on the stature of the Public Works Officer.

As has been indicated, both of these officers are intimately concerned with financial management. With rare exceptions, both work very closely with the Commanding Officer, and both are concerned with work of a specialized nature. Whereas the Public Works Officer is a relatively well established institution, at most stations the billet of Comptroller has only been in use for two years or less. The average Comptroller has hardly had an opportunity to get his organization functioning; his real influence is yet to be felt. How-



ever, it appears obvious that his functions will become increasingly important, since at the highest levels of government it is considered that improved economy and efficiency can be attained by means of comptrollership.

Staff Relationship.--Inasmuch as the Public Works Officer is responsible for proper administration of the financial, material, and human resources entrusted to him, he must inevitably perform many of the functions which are associated with the field of comptrollership. He must plan for the future, must set standards for performance, and must appraise results. If he is competent and has an adequate staff he may very naturally consider that interest by the comptroller in these areas constitutes an unnecessary intrusion into his affairs as well as a needless duplication of effort.

Such a situation is by no means unique, in private business the anomalous role of the comptroller vis-a-vis the heads of operating departments has been recognized as a possible source of friction. Commenting on this potential trouble area with respect to the use of advisory and staff organization Professors Gardner and Moore of the University of Chicago have observed: "However valuable and necessary they may be therefore, they are not the ones who ultimately have the responsibility for getting the work out."<sup>1</sup> Relationships can deteriorate unless the Comptroller is scrupulously careful to confine himself to actions of an advisory nature. An impressive

---

<sup>1</sup>B. B. Gardner and D. G. Moore, Human Relations in Industry, (3rd Ed., Homewood, Illinois: Richard D. Irwin, Inc., 1955), p. 57.





body opinion has stressed the difficulties which result from a staff official exceeding his authority. One student in the field of administration flatly states that: "The staff officer must be kept in his place."<sup>2</sup> Anderson has put it more specifically:

When the controller begins to dictate rather than advise, when he tries to convert lines of functional control into lines of direct control, then he is riding either toward a general managership or toward a severe fall, and in a very great majority of such cases it will be the latter.<sup>3</sup>

In commenting on how a staff official should conduct himself, Newman has recommended:

In most cases the proposals should be "sold" to the operating executive; that is, they should win his voluntary acceptance.

Consequently the staff man should be primarily concerned with achieving results, encouraging the operating executives to take credit for new ideas, letting facts speak for themselves, and holding himself always in the background as one who is merely assisting other individuals to do a good job.<sup>4</sup>

At the typical station, the comptroller is likely to be an officer with a background of line operating experience to whom the self-effacing role of staff advisor is new. The fact that the Navy is using line officers for comptrollership billets tends to accentuate the inherent difficulties involved in the process by which a staff official must attain his objectives. This problem is well summarized by Lepawsky:

---

<sup>2</sup> Marshall Dimmock, The Executive in Action (New York: Harper Brothers, 1945), p. 102.

<sup>3</sup> Anderson, op. cit., p. 20, quoting Arthur Anderson "A Public Accountant's View of the Controller," The Controller, January 1935.

<sup>4</sup> Newman, op. cit., p. 190.





Perhaps the main type of flexibility required of the staff man is the ability to comprehend the theory and practice of staff and line without permitting his hands to be tied by staff-and-line doctrine. For example, many military and civil administrations insist that a staff officer may recommend or request, but he must never order or command. However, no staff man, general or special is doing his duty if he cannot deliver an order and make it stick. Moreover, the very first time a staff officer makes a recommendation to a line officer which is not taken or is reversed, there the influence of that staff officer begins to wane. Paradoxically, therefore the staff officer must learn to command by the power of his recommendations, whether they take the form of service to his chief or requests to his chief's subordinates.<sup>5</sup>

This is not an easy task, and is especially difficult for an individual accustomed to command.

Technical Judgment.--The Public Works Officer may consider that his judgment concerning requirements, and appraisal of results in the field of maintenance and construction, is superior to the Comptroller's, and hence may fail to see how the latter can contribute to the management of this specialized operation. Furthermore, he may feel that because of his training and experience, as well as long association with the Bureau of Yards and Docks, he is in a better position to interpret the many instructions and limitations which govern the performance of public works functions. Much of the information disseminated to field activities by the Bureau of Yards and Docks is technical in nature, and implementation of specific programs requires the application of technical knowledge.

---

<sup>5</sup>Lepawsky, op. cit., pp. 310-311.





Differences of opinion are most likely to develop in the area of appraisal of the results of maintenance effort since reliable standards for performance are few. Although a concerted effort is being devoted to the establishment of suitable yardsticks with which to measure the effectiveness of maintenance programs, there are numerous intangibles which complicate the problem, among which are:

a) There are opportunities for disagreement concerning what constitutes an optimum standard of maintenance. Money is wasted by over-maintaining facilities.

b) Requirements for maintenance vary extensively due to geographical location.

c) The effects of insufficient maintenance often do not become apparent in many cases until substantial damage has occurred.

d) Much of the work is non-repetitive and covers an extremely wide variety of operations.

The use of arbitrary standards by the Comptroller as a means of appraising the effectiveness of the Public Works Officer's maintenance program is likely to lead to erroneous conclusions. There is obviously a place for such administrative devices as Work Measurement, but to the results of such approximate means of measuring performance must be added a full measure of good judgment. Similarly, past performance as a yardstick should be used with great restraint.





Application of Controls.--The Public Works Officer normally finds his authority to act limited by numerous restraints, and may well consider comptrollership personified by the Comptroller as a device to further restrict his authority. Because of its very nature the work of the Public Works Department is subject to close scrutiny by both the Commanding Officer and the heads of the departments it serves. As has been observed in the case of the service department in industry,<sup>6</sup> the Public Works Department is generally considered to be subservient to the line organization, and hence there is a tendency to review its work more critically. This, coupled with the fact that the Public Works Officer can never satisfy all of the demands for service which he receives, sometimes results in a tendency to find fault with the work of the Public Works Department.

The many restrictions and limitations governing the actions of the Commanding Officer are not conducive to his granting broad authority to his subordinates, and because of the nature of his work, the Public Works Officer is likely to be severely limited. The arrival of the Comptroller on the scene can hardly be expected to reverse this trend; rather it is probable that the Comptroller will be used by the Commanding Officer to exercise additional controls. This process has

---

<sup>6</sup>Gardner and Moore, op. cit., p. 53. "The line organization develops a special orientation toward the rest of the organization because of the nature of its activities. Perhaps this orientation can be described best by saying that employees in the line at all levels feel that they are 'doing all of the important work' in the organization."





been well stated by Newman in discussing the establishment of staff groups:

...in effect the principal executive first centralized authority over such matters (thereby reducing the prerogatives of the operating executive) and then delegated functional authority to his specialized assistants.<sup>7</sup>

Thus, it can be expected that as time passes and the Commanding Officer comes to depend upon the Controller to a greater extent, the Public Works Officer will find his operations subject to increasing review. His request for funds will first have to be justified to the Controller and his decisions questioned to a greater extent than previously. This creates a situation which requires delicate balance, for as has been observed: "The morale of the organization--the will of the people to give their best--can be seriously undermined if the human problems entailed in the building and daily use of controls are bungled."<sup>8</sup> Attitudes on the part of all three participants are important. James L. Peirce has aptly pointed this out in discussing the use of budgets as instruments of control:

When the attitudes of people toward each other are generous, understanding, and based on mutual respect, any technique adopted by management to further effective performance is apt to be successful. When human attitudes are dominated by distrust, criticism, and recrimination, any technique designed to improve performance is likely to fail miserably.<sup>9</sup>

---

<sup>7</sup> Newman, op. cit., p. 194.

<sup>8</sup> T. F. Bradshaw and C. C. Hull, (ed), Controllershship in Modern Management, (Chicago: Richard D. Irwin, Inc., 1949), p. 183.

<sup>9</sup> James L. Peirce, "The Budget Becomes of Age," Harvard Business Review (Vol. 32, May-June 1954), p. 59.





So much for the potential areas of conflict. Without attempting to elaborate from a negative point of view on the ill effects of the establishment of a comptroller organization, suffice it to say that its introduction creates new problems which will require the Public Works Officer to reorient his thinking.



## CHAPTER V

### Areas of Mutual Interest

Having indicated some of the problems which may develop when the Comptroller becomes fully established at the right hand of the Commanding Officer, let us examine the advantages to be derived from this new concept. Specifically, the Public Works Officer has much to gain from close collaboration with the Comptroller.

The mere presence of the Comptroller at a naval activity can be expected to have a salutary effect on all levels of supervision insofar as emphasis on economical operations is concerned. In this respect he serves as a sort of catalyst; his very title suggests scrutiny of expenditures, and the functions prescribed for his organization are such as to stimulate attention by heads of operating departments to the financial aspects of their work. Although the vast majority of naval officers and responsible civilian employees are well intentioned, it is desirable to remind them frequently of their responsibilities in the field of efficient management, lest they be diverted from this objective by the operational aspects of their work. Additionally, the importance of this goal is such that the more people who devote their efforts to improvements in management, the better the chances of success.





Improved Planning.--The Comptroller, because of this constant association with the over-all functions of the station, should be in a position to provide a considerable amount of information which would be helpful to the Public Works Officer in planning for the future. Of particular importance to the Public Works Officer are changes in levels of activity which have an effect on the workload of his service shops. In the past he has been obliged to accumulate such information on a piece meal basis; with the Comptroller in constant contact with the Bureaus and offices which provide the funds supporting the station's programs, more reliable information should be readily available with less effort on the part of the Public Works Officer. This is especially important in connection with the preparation of budget estimates, since a substantial portion of the Public Works Officer's needs for funds are related to the level of activity of other departments.

Interpretation of Financial Instructions.--Although there are many limitations governing the work of his department which can best be interpreted by the Public Works Officer, the Comptroller may be of considerable assistance to him in interpreting the many regulations and instructions of a purely financial nature. The procedures for handling appropriated funds have become so complicated, and changes are made so frequently that specialized knowledge of the details is essential. By virtue of his close contact with the Office of





the Navy Comptroller, as well as the various Bureaus and Offices, the Comptroller should be in a position to give authoritative answers to many questions pertaining to the use of funds.

Management Assistance.---Regardless of how well managed a Public Works Department may be, there are always opportunities for improvement, and in this endeavor the Comptroller can be of assistance to the Public Works Officer. As in the case of the head of any operating department, the Public Works Officer is often preoccupied with problems which are far afield from management. This is particularly true of engineering projects which have a strong appeal for the officer whose training and inclinations are along technical lines. The Comptroller can serve to remind the Public Works Officer that his primary duty is to be a manager; that he must leave the detailed engineering to his specialists and concern himself more with the administration of his department. As Barnard has observed: "Executive work is not that of the organization, but the specialized work of maintaining the organization in operation!"<sup>1</sup>

In commenting upon the characteristics of service departments in private industry, Holden, Fish and Smith observed in connection with the organization of a number of large corporations that:

---

<sup>1</sup>Barnard, op. cit., p. 215.





Staff and service departments...find themselves in a difficult situation in many companies. Expected to undertake any service requested and always liable to criticism as to speed and adequacy of performance, such agencies frequently feel constrained to maintain an unjustifiably large organization, and to render an unnecessarily elaborate service in order to minimize such criticism. Their willingness to undertake invites more which in turn requires increased personnel. On the other hand, they are criticized for their tendency to expand and for the greater cost of their department operation.<sup>2</sup>

Whereas this admonishment is not entirely applicable to the average Public Works Department, it is important that the Public Works Officer keep his functions in proper perspective. In his zeal to do a good job and to provide as many of the services requested of him as possible, he may unwittingly permit the scope of his activities to expand out of proportion to absolute necessities. The Comptroller should be of assistance to him in this regard; by tactful questioning the need for additional personnel, as well as inquiring into the necessity for expanding specific functions, he will help the Public Works Officer to view his operations more objectively.

More specifically, the Comptroller should be able to contribute to the effective management of the Public Works Department by furnishing timely reports on expenditures and obligations. Since the Comptroller's attention is necessarily focused on management rather than the mere maintenance of historical reports, it can be expected that he will prepare his reports in such a manner as to make them effective instruments for control by the Public Works Officer. Too often in the

---

<sup>2</sup> Holden, Fish and Smith, op. cit., p. 175.





past unofficial records have had to be maintained in the Public Works Department because the periodic reports of the Supply and Fiscal Department were not designed for use for departmental management purposes. This resulted in duplication of effort, and required the Public Works Officer to use part of his limited personnel ceiling for record keeping, rather than for more essential purposes.

Support of Public Works Programs.--Since the Comptroller spends most of his time in contemplation of the over-all financial situation at the station, he should be able to observe the performance of all departments impartially, and thus be of great assistance to the Commanding Officer in keeping the financial needs of the various departments in proper perspective. His intimate association with the finances of all of the departments will assist the Commanding Officer in avoiding snap decisions resulting from fragmentary consideration of the factors involved. It is the Public Works Officer's misfortune to often be in a defensive position, since the natural inclination on the part of many Commanding Officers is to make close decisions in favor of the heads of their line operating departments. In the inevitable competition for allocation of funds or personnel, the persuasive operating department head is likely to get more than his proper share, often at the expense of the Public Works Department. Unless the Comptroller is prejudiced, his presentation of factual data on performance should be helpful to the Public Works Officer in justifying his requirements.





In periods such as the present, when strong emphasis is being placed on retrenchment and reappraisal of functions and missions, it is particularly important that existing facilities receive essential maintenance. However, it is sometimes difficult for the Public Works Officer to concentrate his trimming to the scope of his service functions, keeping his maintenance effort at an adequate level. The services rendered by his department are such that people are often reluctant to have them curtailed, and all too often maintenance items must be deferred in deference to such marginal jobs as janitorial services, redecoration and refurnishing public quarters, painting for appearances, and care of flower beds and shrubs. If he persists in urging the curtailment of services, the Public Works Officer may find himself labeled as an obstructionist, and unless he is extremely tactful he may find himself looked upon with disfavor by his colleagues in other departments.

Working closely with the Comptroller, the Public Works Officer should be able to so arrange his budgeting and records of expenditures as to distinguish between true maintenance work and effort which does not contribute directly to the preservation of the existing facilities. Further, the Public Works Officer should be in a position to gain the support of the Comptroller in placing sufficient emphasis on maintenance in the station's financial plans and eliminating nonessential jobs. Since he is an impartial observer, it is unlikely that partisan interests would be attributed to the Comptroller,





whereas the opposite is often the case with the Public Works Officer. Also, as regards projects which the Public Works Officer considers to be improper, the Commanding Officer is more likely to heed the warnings of the Comptroller concerning propriety of expenditures, since one of the latter's important functions is to keep him out of trouble.

At some stations, functions, which normally are assigned to the Public Works Department, have by custom been performed by line operating departments. In many instances such arrangements are perfectly satisfactory, but often they result in needless duplication. This is particularly true of small carpenter shops, and departmental maintenance forces which compete with the Public Works Department. Also it is not uncommon to find such personnel as janitors, chauffeurs, and equipment operators assigned to operating departments when economies in manpower could be effected by working them from a central labor pool in the Public Works Department. By virtue of his impartial position, the Comptroller can be of assistance in correcting such situations, whereas the Public Works Officer often finds himself accused of "empire building" if he suggests centralizing such functions in his department.





## CHAPTER VI

### CONCLUSION

In the foregoing discussion I have attempted to demonstrate by means of a review of certain of the basic functions of both the Comptroller and the Public Works Officer, the fact that there are benefits to be derived as well as trouble areas to be avoided as a result of the establishment of a comptrollership organization at the typical naval installation. The Public Works Officer has been briefly portrayed as the head of a large auxiliary or service department whose mission is complicated by a wide variety of functional controls promulgated by higher levels, and whose effectiveness is difficult to measure. The Comptroller's primary function is to assist the Commanding Officer in improving the efficiency and economy of the station's over-all operations, primarily by means of improved financial management, and as a corollary, by the application of more effective controls. Insofar as Public Works functions are concerned, both the Public Works Officer and the Comptroller are concerned with improving the effectiveness of the management of the Public Works Department.

Although the Comptroller's interest in the internal affairs of the Public Works Department does not differ materially from his preoccupation with the effectiveness of the





financial management of any other department, the singular role of the Public Works Officer has necessitated that the latter devote a substantial portion of his efforts in the past to functions which are essentially those of comptrollership. Unlike many of his colleagues who head operating departments, the Public Works Officer almost invariably works in an atmosphere of scarcities; there is never enough money to permit him to accomplish the things he feels are necessary. Traditionally it has been necessary for him to improvise, to cut corners, to juggle priorities, and to use every device available to get the most from his dollars. Thus, to some extent, the Comptroller's efforts constitute a duplication of the work which the Public Works Officer has been performing.

Experience in private industry indicates the importance of human relations in the exercise of control through the use of staff groups. Gardner and Moore, who made extensive studies of human relations problems in business, have made this significant observation:

In our extensive survey of organization, we very quickly learned that an evaluation of the relations of top level personnel was a necessary first step in understanding the relations existing in the rest of the organization. If there was a well integrated work team among top executives in the organization, we usually found that whatever problems did exist in the organization were localized in nature. However when difficulties were occurring at the very top of the organization, the problems throughout the rest of the organization were generalized, widespread, and serious.<sup>1</sup>

---

<sup>1</sup>Gardner and Moore, op. cit., p. 395.





An impressive body of opinion has stressed the delicate nature of the role of the staff group, the pitfalls along the way to its functioning effectively, and the deleterious effects on the morale of the organization which can result from misapplication of the staff principle and of functional controls.

As in the business corporation, appreciation by the individuals concerned of the essentiality of good human relations is important at any naval station, and particularly so as regards the functions of the Comptroller. If he fails to exercise restraint in his dealings with heads of operating departments, if he is inclined to be too aggressive, friction is certain to develop. To the extent that such actions are not curbed by the Commanding Officer, a serious situation can result. Specifically, as regards the Public Works Officer, such an unfortunate combination of circumstances can cause deterioration of the morale and initiative of his department. If, on the other hand, the Public Works Officer takes a hostile view of the Comptroller's functions, he places himself in the untenable position of opposing the currently accepted route toward better management, and eliminates the many possibilities of support and assistance which he could otherwise derive from collaboration. Although it is a natural reaction on the part of individuals to resent being controlled, if the Public Works Officer can view controls as tools with which he can improve his own performance, a formidable obstacle in the path of co-operation with the Comptroller will have been surmounted.





With a proper approach on the part of both the Public Works Officer and the Comptroller, the evolution of comptrollership can assist the Public Works Officer to do his job more effectively. With much of the burden of interpreting instructions pertaining to the use of appropriated funds and of analysis of reports of past and current operations shifted to the Comptroller's organization, the Public Works Officer should have more time to devote to planning and appraisal of his operations. Additionally, to the extent that he can make an ally of the Comptroller, he should be able to gain strong support for his programs, particularly as regards obtaining adequate funds for essential maintenance.

With expenditures for Defense currently exceeding by far all other Federal outlays, the need for economy and efficiency at all levels is being stressed with increasing vigor. Comptrollership is one of the important means by which it is hoped that this goal can be attained. The term is an unfamiliar one to many, and undoubtedly the period of installation of comptroller organizations will not be without difficulties. However, with cooperation and understanding, comptrollership should prove to be an effective technique for improving the effectiveness of management within the Navy.





## BIBLIOGRAPHY

### Books

- Anderson, David R. Practical Controllershship. Chicago: Richard D. Irwin, Inc., 1949.
- Barnard, Chester I. The Functions of the Executive. Cambridge, Mass.: Harvard University Press, 1951.
- Bradshaw, T. F., and Hull, C. C. (ed.). Controllershship in Modern Management. Chicago: Richard D. Irwin, Inc., 1950.
- Dimmock, Marshall. The Executive in Action. New York: Harper Brothers, 1945.
- Doohar, M. J., and Marquis, V. (ed.). The Development of Executive Talent. New York: American Management Association, 1952.
- Holden, P. E., Fish, L. S., and Smith, H. L. Top Management Organization and Control. New York: McGraw-Hill Book Co., 1951.
- Gardner, B. B., and Moore, D. G. Human Relations in Industry. 3d ed., Homewood, Illinois: Richard D. Irwin, Inc., 1955.
- Lepawsky, Albert. Administration: The Art and Science of Organization and Management. New York: Alfred A. Knopf, 1949.
- Newman, William H. Administrative Action. New York: Prentice-Hall, Inc., 1951.

### Other Sources

- Clextan, E. W., Rear Admiral, USN, Deputy Comptroller of the Navy. Address to Navy Graduate Comptrollership class at The George Washington University, 6 October 1955.
- List of Field Activities with Comptroller Organizations. Office of the Comptroller of the Navy, 15 May 1955.



Peirce, James L. "Controllershship and Accounting: A Contrast,"  
The Controller (Vol. XXI, September 1953).

\_\_\_\_\_. "The Budget Becomes of Age," Harvard Business Review  
 (Vol. 32, May-June 1954).

SecNav Instruction 5400.4. Establishment of Comptroller Organ-  
 izations in bureaus, headquarters, offices, and field  
 activities of the Navy and Marine Corps. (18 November 1953).

Solomons, E. A., Rear Admiral, USN, Deputy Comptroller of the  
 Navy. Address to the Naval War College, Newport, Rhode  
 Island, 16 February 1954.

U. S. Department of the Navy. United States Navy Regulations.  
 (Washington, D. C., 1948).

U. S. Department of the Navy, Bureau of Yards and Docks.  
Organization and Staffing of Public Works Departments.  
 (Washington, D. C., 15 November 1954).

U. S. Senate, Preparedness Sub-Committee No. 3 of the Committee  
 on Armed Services, Implementation of Title IV National  
 Security Act of 1947 as amended, 83d Cong., 2d Sess., 1954.



